North Dakota Teachers' Fund for Retirement

Retirement Trends and Projections

January 2015

Retirement: Now or Later?

The decision to retire is intensely personal and prompted by both non-financial and financial reasons.

- **Non-financial considerations:**
  - Health of teacher (and spouse)
  - Family issues (spouse, children, parents)
  - Personal reasons (job satisfaction vs. job stress)
  - Federal regulations
  - State and local issues (school closings, school consolidations)

- **Financial considerations:**
  - Salary vs. Retirement benefits
  - Health insurance benefits – rising cost of medical care
  - Employment in retirement
  - Inflation

TFFR Members

- TFFR member count includes number of people, not FTE's.

- TFFR members may be full time, part time, or temporary teachers, but must be licensed and contracted. Noncontracted substitute teachers are not TFFR members.

TFFR Member Categories

TFFR member categories are based on DPI title codes and presented according to teacher and administrator categories defined in NDCC 15.1-02-13.6.

- ◆ "Teacher" includes positions of teacher, special ed teacher, and tutor in training.
- ◆ "Special Teacher" includes positions of counselor, instructional programmer, library media specialist, pupil personnel, psychologist, speech/language pathologist.
- ◆ "Superintendent" includes only school superintendents.
- ◆ "Other Administrators" includes positions of assistant superintendent, director, assistant director, principal, assistant principal, county superintendent, and other administrative positions.

Today

There are 12,330 active and inactive vested TFFR members in January 2015.

■	Teachers	8,809
■	Special Teachers	1,171
■	Superintendents	134
■	Other Administrators	516
■	Inactive Vested	1,700
	Total	12,330
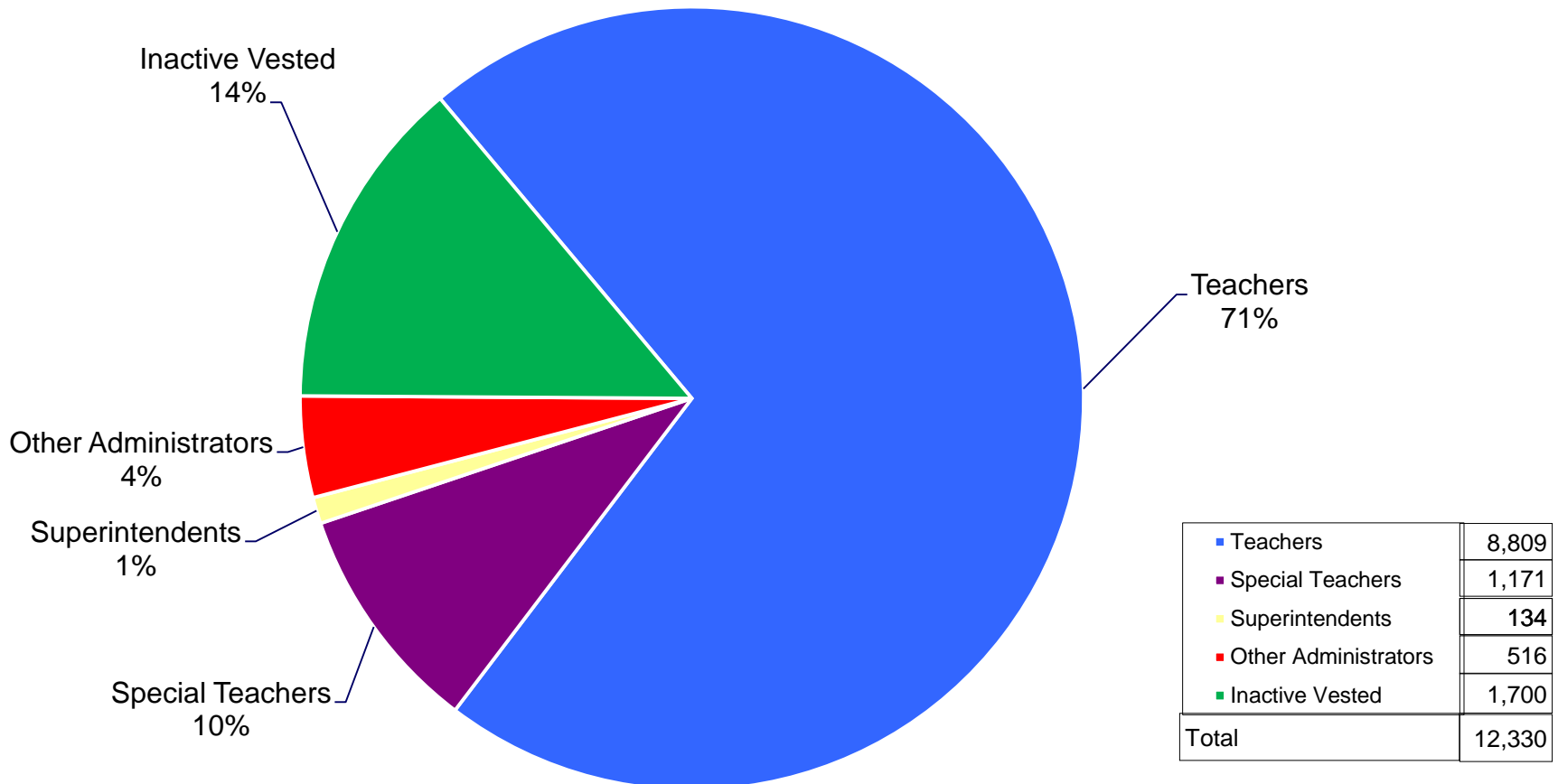
Note: There are also 740 inactive non-vested TFFR members and 7,752 retired members and beneficiaries.

Today

Active and inactive vested Tier membership in January 2015.

| TFFR Members	Tier 1G	Tier 1NG	Tier 2	Total
Teachers	2,498	2,708	3,603	8,809
Special Teachers	371	346	454	1,171
Superintendents	77	34	23	134
Other Administrators	221	210	85	516
Inactive Vested	690	928	82	1,700
Total	3,857	4,226	4,247	12,330

TFFR Tier Membership History
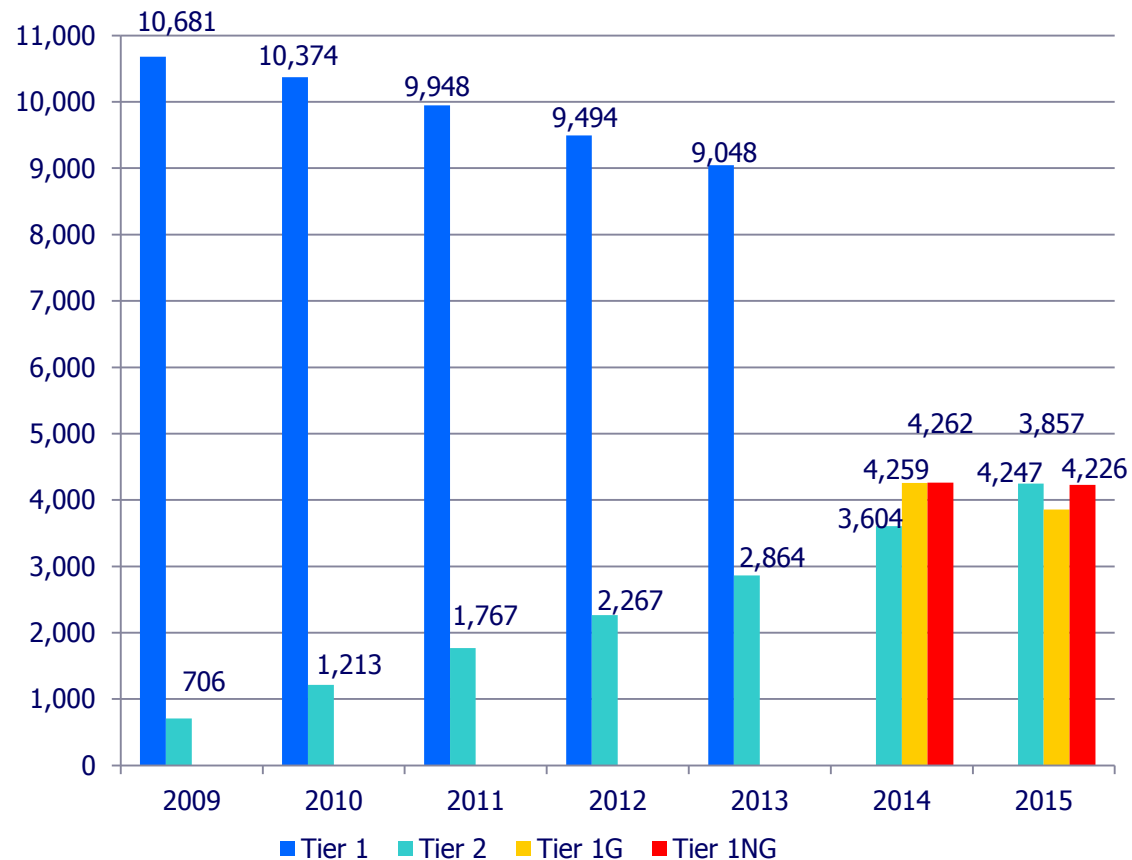
Today
Current Active TFFR Membership Eligible for Retirement

Previously Eligible for Retirement 9%

Newly Eligible for Retirement 2%

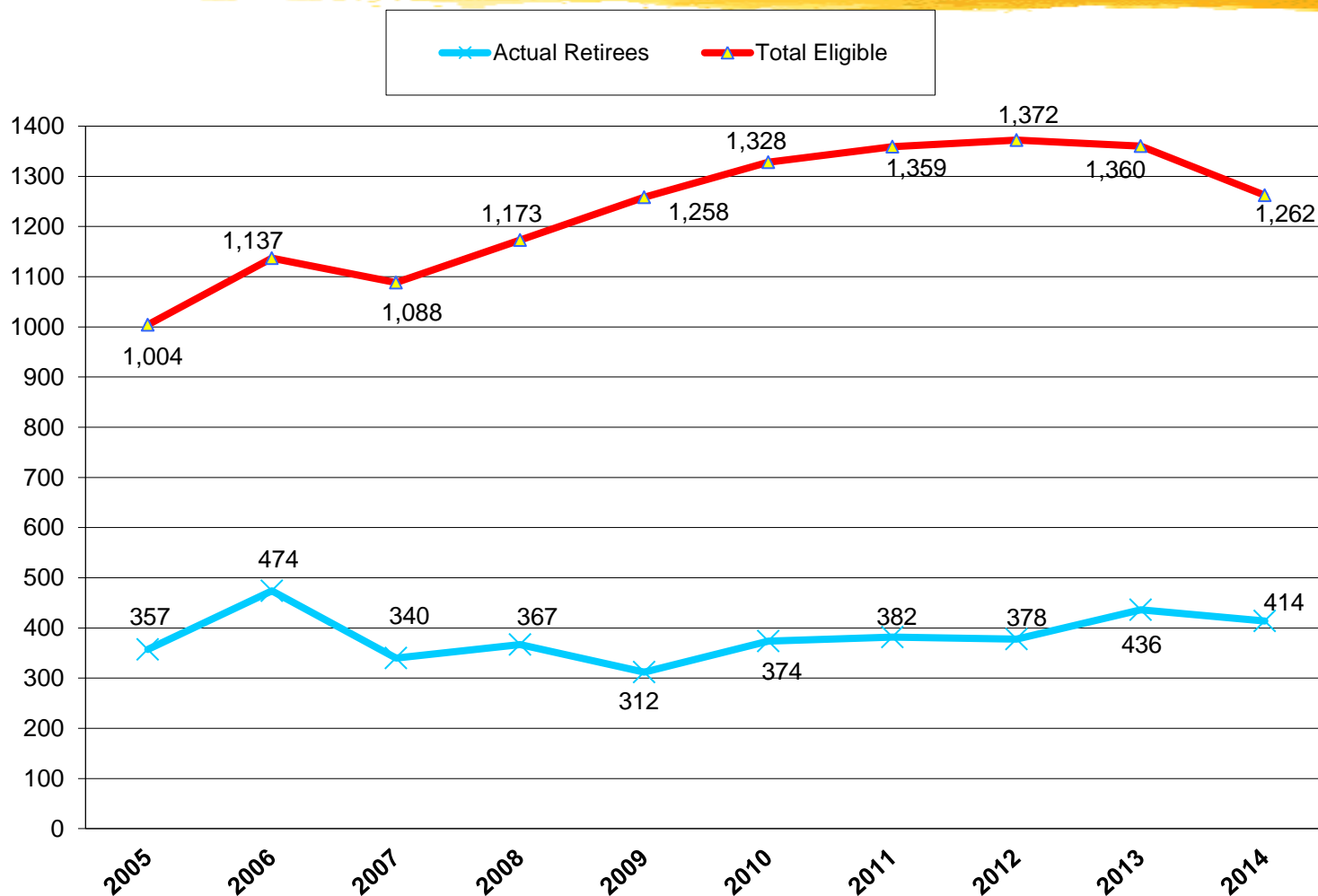Not Yet Eligible for Retirement 89%
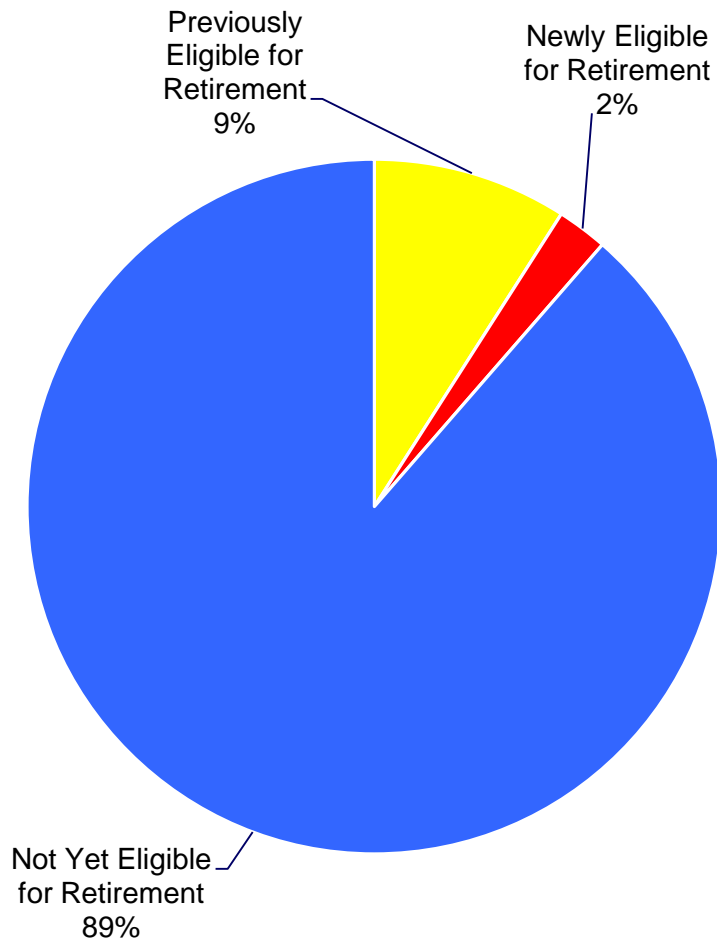
Of the 10,630 active TFFR members, 1,212 members are currently eligible to retire (11%) either under the Rule of 85, Rule of 90/Min age 60, or age 65.

Of the 1,212 active TFFR members eligible to retire, 79% are previously eligible and 21% are newly eligible in 2014-15.

Previously Eligible	962
Newly Eligible in 2014/15	250
Not Eligible	9,418
Total	10,630

Yesterday

Actual Retirees and Total Eligible

Legend: Actual Retirees, Total Eligible

Total Eligible values: 1,004 (2005), 1,137 (2006), 1,088 (2007), 1,173 (2008), 1,258 (2009), 1,328 (2010), 1,359 (2011), 1,372 (2012), 1,360 (2013), 1,262 (2014)

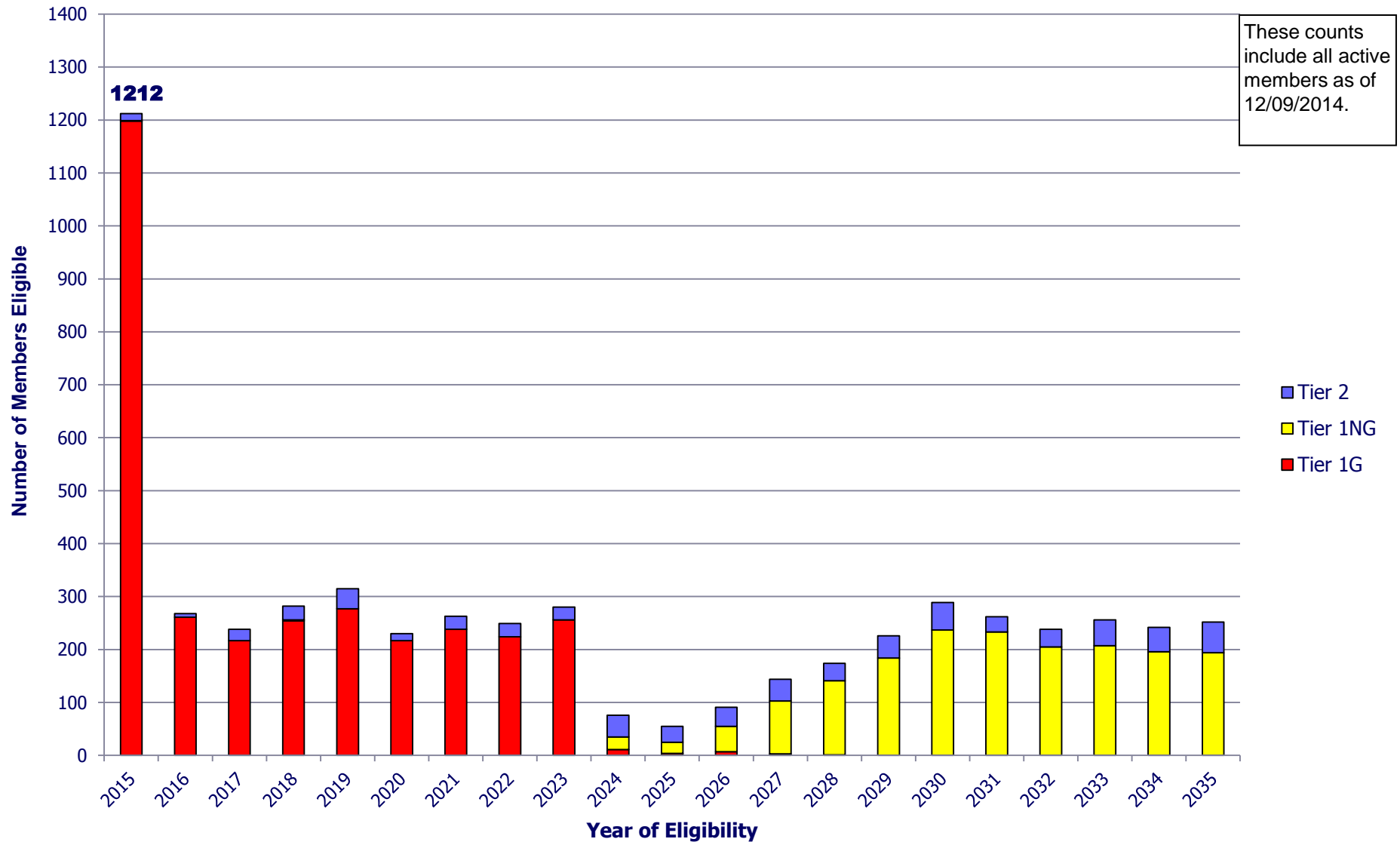Actual Retirees values: 357 (2005), 474 (2006), 340 (2007), 367 (2008), 312 (2009), 374 (2010), 382 (2011), 378 (2012), 436 (2013), 414 (2014)
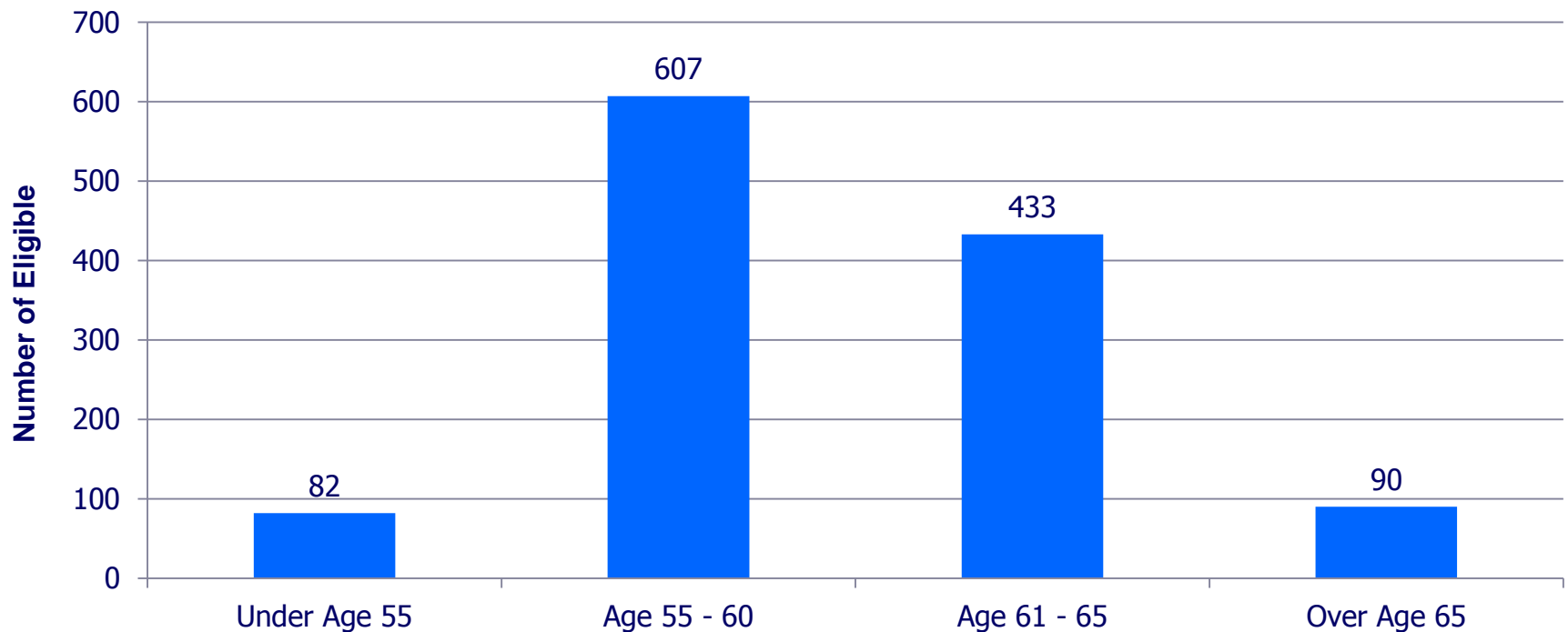
10 Year History 2005-2014

- On average, 1,200 teachers have been eligible to retire each year over the last 10 years.

- On average, 383 teachers actually retired each year, or total of over 3,830 for 10 year period.

- Approximately 32% of eligible members actually retired over the past 10 years.

TFFR Active Member Retirement Eligibility Profile
20 Year Projection

These counts include all active members as of 12/09/2014.

Legend:
- Tier 2 (blue)
- Tier 1NG (yellow)
- Tier 1G (red)

Y-axis: Number of Members Eligible

X-axis: Year of Eligibility (2015–2035)
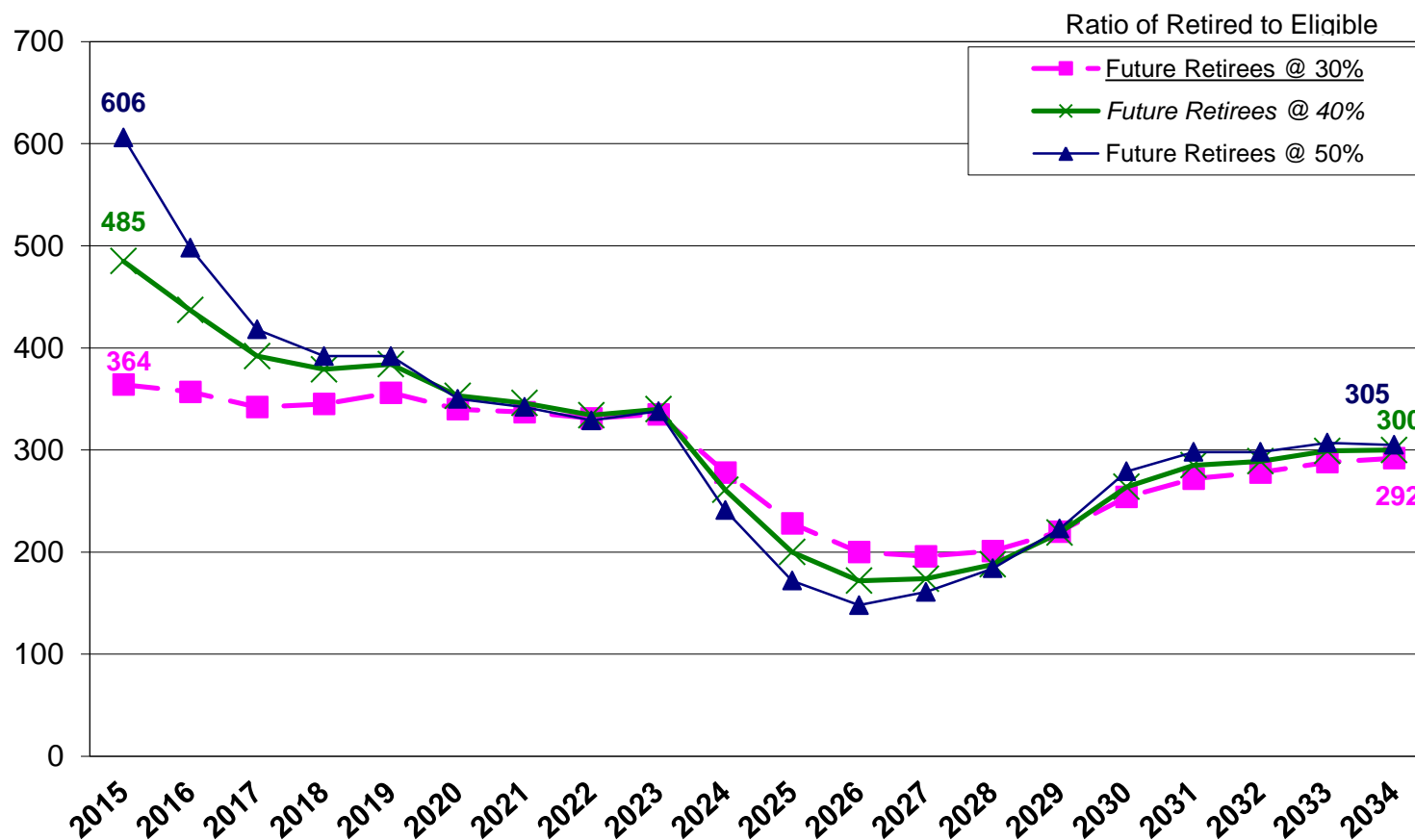
2015: 1212

Current Eligible in 2015 by Age

Note: Of the 1,212 total eligible, the youngest is age 52 and the oldest is age 79.
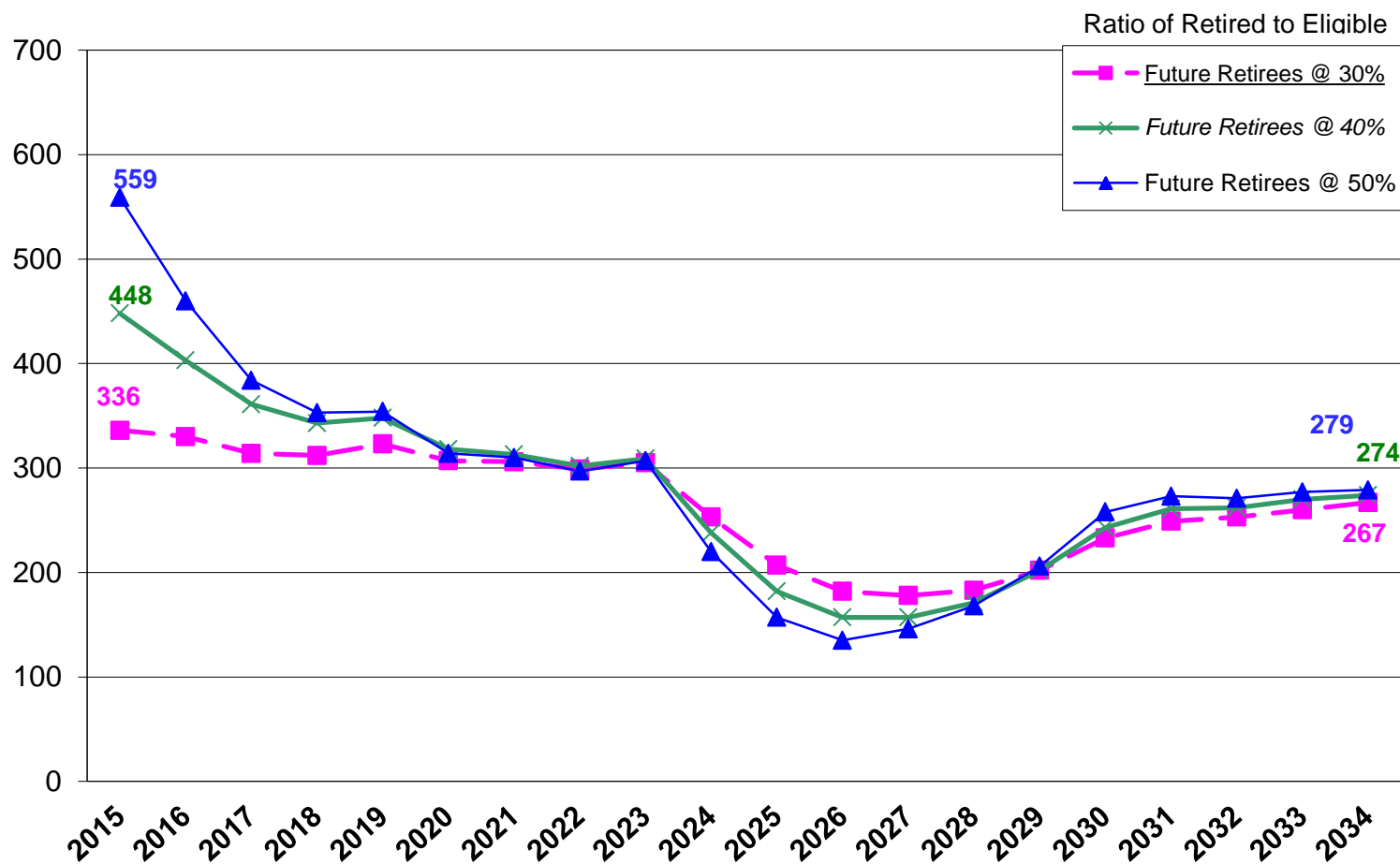
Tomorrow???

Projected Retirees
All Active

Based on ratios of 30%, 40%, and 50% of actual retirements to eligible retirements, the number of active members projected to retire in the next 20 years.
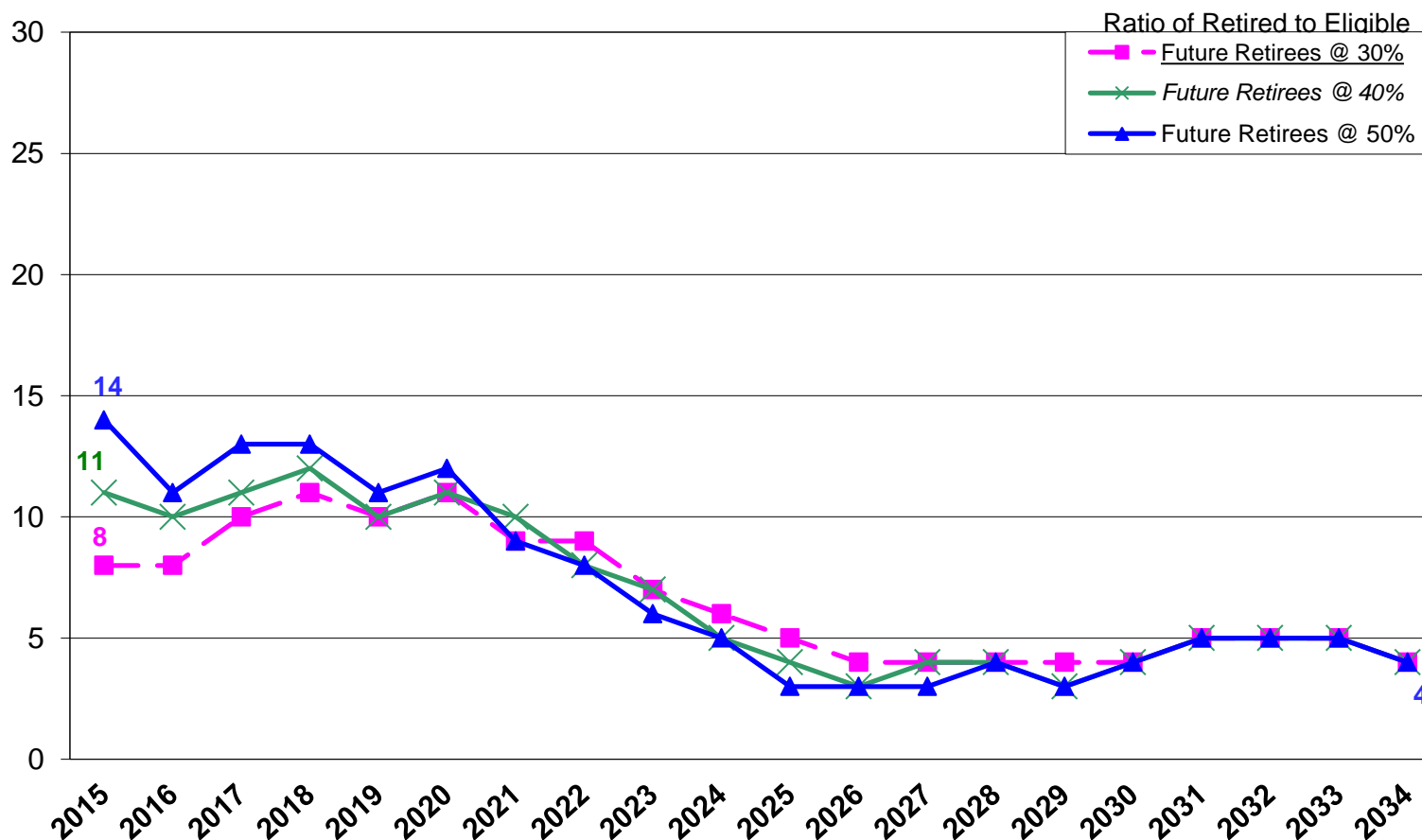
Tomorrow???

**Projected Retirees
Teachers and Special Teachers**

Ratio of Retired to Eligible

- Future Retirees @ 30%
- *Future Retirees @ 40%*
- Future Retirees @ 50%

559
448
336
279
274
267

2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034

Based on ratios of 30%, 40%, and 50% of actual retirements to eligible retirements, the number of teachers and special teachers projected to retire in the next 20 years.
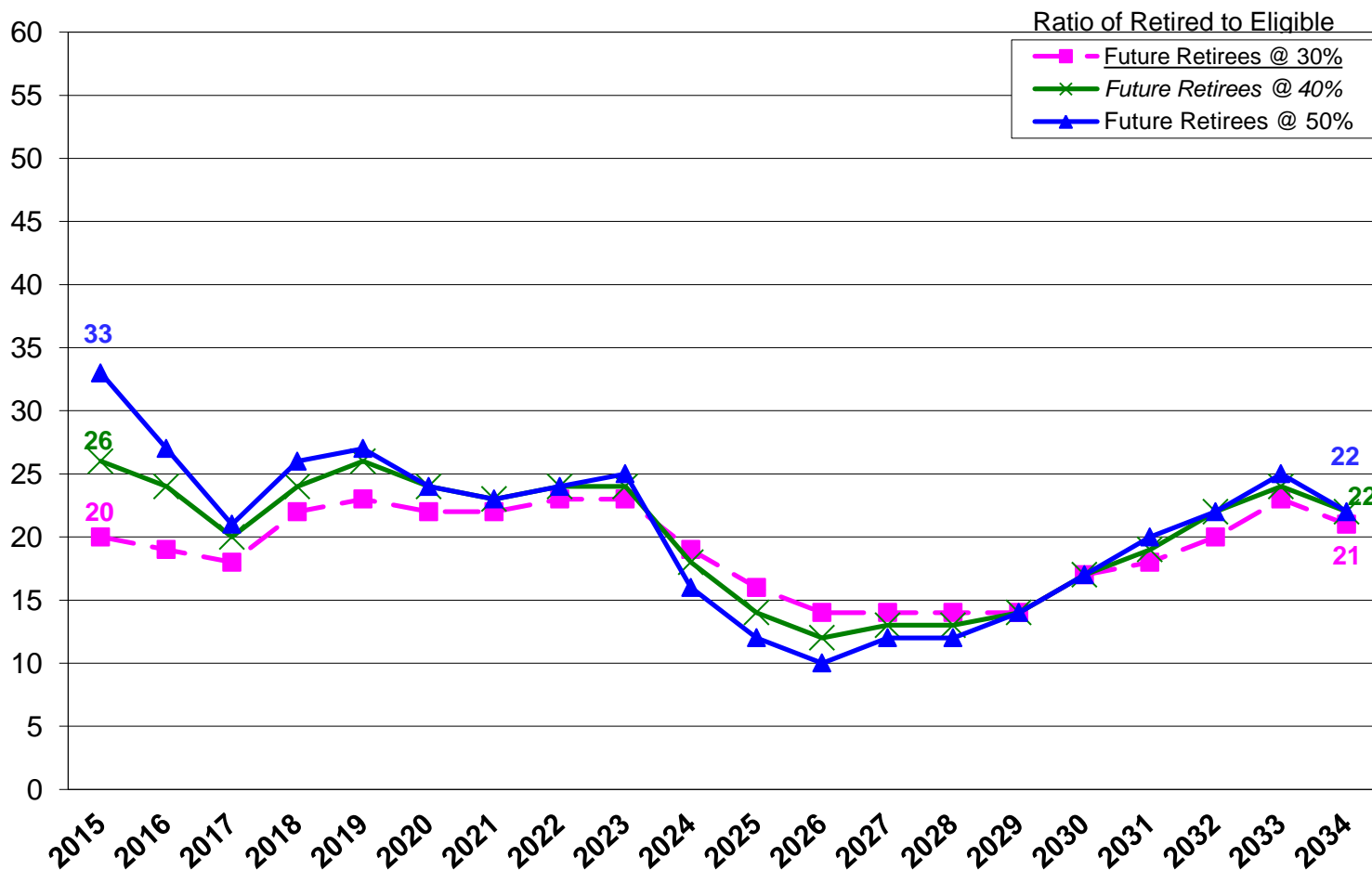
Tomorrow???

Projected Retirees
Superintendents

Based on ratios of 30%, 40%, and 50% of actual retirements to eligible retirements, the number of superintendents projected to retire in the next 20 years.

Tomorrow???

**Projected Retirees
Other Administrators**

Based on ratios of 30%, 40%, and 50% of actual retire-ments to eligible retirements, the number of other administrators projected to retire in the next 20 years.

Summary

Based on ratios of 30% and 40% of actual retirements to eligible retirements, approximately 3,400 to 3,700 active members are projected to retire in the next 10 years which averages about 370 per year.

	Members	# Retire		Avg/Yr	
		30%	**40%**	**30%**	**40%**
Teachers and Special Teachers	9,980	3,085	3,383	309	338
Superintendents	134	89	95	9	10
Other Administrators	516	211	233	21	23
Total Active Members	10,630	3,385	3,711	339	371

Note: All retirement projections are estimates only.